

LNF & IHCIF Calculations Illustration **- FT. YUMA in Phoenix area -**

Given Data

- 3,769 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 28% = % Expenditures on purchased services, 72% = % expenditures in-house
- 109.7% = Cost index for purchasing health care in this geographic area
- 116.7% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$915 per person for purchased services = $28\% * 109.7\% * \$2,980$
- \$2,504 per person for in-house services = $72\% * 116.7\% * \$2,980$
- \$3,419 per person total = \$915 (purchase) + \$2,504 (in-house)
- **\$3,451 per person total** adjusted for health status = $\$3,419 * 100.9\%$
- **\$2,706 per person net cost** = $\$3,451 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,769 users excluding wrap-around and collections)

- \$1,407 per person = local IHS allowance (excludes \$ for wrap-around)
- \$376 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,837 per person for OU users** = $\$1,407 + \$376 + \$54$

LNF Calculation

- **53.2% Gross LNF** = $\$1,837$ (expenditures) / $\$3,451$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **67.9% Net LNF** = $\$1,837 / \$2,706$ net cost ($\$3,451 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 67.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

FT. YUMA Unmet Needs

- **\$10,198,286 Net Total Need** = $3,769$ users * $\$2,706$ net cost
- **\$3,276,169 Net Unmet Need** = $(100\% - 67.9\% \text{ LNF}) * 3,769$ users * $\$2,706$ net cost